AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government are in favour of formulating a rational policy at national level, regarding sugar industry; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) Government of India appointed a Committee under the chairmanship of Shri B.B. Mahajan, to examine, *inter alia*, various aspects of sugar policy. The Committee has studied the entire gamut of sugar economy and has made 141 recommendations. Decisions on some of the recommendations have been taken, while in regard to other recommendations, the some are under examination of the Government.

Social Audit of PDS

1683. SHRI PREM CHAND GUPTA: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government plan to conduct social audit of the Public Distribution System (PDS);

(b) whether Rs. 3500 crores worth of food for the PDS is diverted to non-merit cases; and

(c) if so, the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) Public Distribution System is operated under the joint responsibility of the Central and State Governments. The Central Government is responsible for procurement, storage and transportation of PDS commodities up to the Central godowns and making them available to the State Government. The responsibility for distribution to the consumer through Fair Price Shops (FPSs) and administration of PDS rests with State Government/UT Administrations. Based on the belief that truly democratic institutions do better safeguard food security concerns of all than the State bureaucracy, the Government have advised the State Governments to more substantially involve Gram Panchayats in

†Original Notice of the question was received in Hindi.

supervision and monitoring of PDS especially at FPS level as a measure of social audit.

(b) As per an assessment of diversion made by the Tata Economic Consultancy Service (TECS) on the basis of a sample survey in the year 1997 36% of wheat and 31% of rice is diverted from PDS in the country.

(c) State Governments have been requested to closely monitor PDS at the Fair Price Shops (FPSs) and other levels and to make arrangement for distribution of PDS commodities in a transparent and accountable manner by involvement of Panchayati Raj Institutions (PRIs) etc. in implementation of PDS. They have also been asked to eliminate bogus ration cards and initiate action against erring FPS owners under Essential Commodities Act, 1955. A model Citizen's Charter for PDS has also been drawn up and circulated to States/UTs for adoption as a step to enhance the transparency and accountability in the system. The Government of India has also appointed Area Officers to States/UTs to monitor the functioning of PDS including the complaints of diversion.

Outstanding dues against sugar mills

†1684. SHRI RAJ MOHINDER SINGH:
DR. D. MASTHAN:

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a large amount of money, in respect of payment of sale of sugarcane by sugarcane producing farmers, was outstanding towards sugar mills of the country at the end of September, 1999;

(b) if so, what was the total outstanding amount and the names of States whose sugar mills owed this amount, togetherwith the break-up of this amount, separately; and

(c) whether Government have issued directions to pay this outstanding amount without any further delay; if so, when the said directions were issued, alongwith the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER

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